



California Business Connect Project Charter

August 2011

Project Title: California Business Connect

Business Need

The Secretary of State's Business Programs Division (BPD) processes over two million filings per year. Fee processing and filing processing for areas other than Uniform Commercial Code (UCC) range as high as 54 to over 100 days. Checks are not cashed until the filings are processed, which results in high volumes of dishonored checks due to lengthy processing time.

Currently, the various business areas within BPD at the Secretary of State (SOS) use different information technology systems or none at all. It is difficult to move business staff from one area to another due to the training required to learn the different systems. Additionally, due to the multitude of information technology systems just for BPD, SOS's Information Technology Division (ITD) staff are required to maintain a myriad of technologies to support BPD's mission. It is highly desired to have all of the various business functions within BPD using the same information technology system, so that business operations and technical support is optimized.

Finally, only UCC has a relatively modern client-server technology system that integrates the management of filing images and the associated data processing and data storage, is able to process fees in a timely manner, has an online filing system, and has a reasonable turn around time for hard copy submissions.

The entire Feasibility Study Report may be found at: [California Business Connect FSR](#) .

Stakeholders

- The business community (e.g. owners, officers of business entities, lawyers, accountants, bankers, lenders) conducting business in California
- Franchise Tax Board (FTB) for assessing and collecting state taxes and penalties
- Internal Revenue Service (IRS), FTB, Board of Equalization (BOE), and Employment Development Department (EDD) for recording tax liens and for regulatory purposes
- California Attorney General's Office (AG), Department of Corporations (DOC), Department of Real Estate (DRE), Department of Consumer Affairs (DCA) for regulatory and enforcement purposes.
- State Controller's Office for copies of Notice of Joint Powers Agreements
- Legislative Counsel Bureau for copies of City and County Charters
- Service Companies that submit documents and orders on behalf of their customers
- General Public
- Other Government Agencies

Project Scope and Objectives

Preliminary Scope Statement:

The project scope includes the following deliverables:

- a. A customized system, that leverages proven hardware and software, that meets the objectives of this project charter and the requirements that will be detailed in the System Integrator Request for Proposal.
- b. System documentation that includes the (i) system architecture design, (ii) application(s) design and (iii) database(s) design that includes a detailed data dictionary(ies) and entity relationship diagram(s), such that the purpose of tables and fields are easily understood by SOS staff.
- c. The conversion of data and images from electronic systems.
- d. Ability to create Records and associated images from paper-based and microfilm/microfiche records.

- e. Technical training and procedural training for SOS staff so that SOS staff has the training to operate, maintain and modify the system.
- f. Software license rights for SOS such that internal SOS staff can maintain the system.
- g. A backup system at a disaster recovery data site that has the capability to be operational in 10 days following a disaster at the primary site. Advance Health Care Directives must have a limited business capability within 2 days. Advance Health Directives may operate at this reduced capability until the full backup system is operational at 10 days.
- h. A Disaster Recovery Plan that details procedures to be followed in the event a disaster occurs.

The following business areas are included:

- a. Business Entities:
 - i. Corporations
 - ii. Limited Liability Companies
 - iii. Limited Partnerships
 - iv. General Partnerships
 - v. Limited Liability Partnerships
 - vi. Other Business Entities: Registration of Unincorporated Nonprofit Associations, Statements by Unincorporated Associations, Statements by Foreign Lending Institutions, Statements by Foreign Partnerships and Statements by Common Interest Development Associations for unincorporated CIDs.
- b. Other Services:
 - i. Victims of Corporate Fraud Compensation Fund (VCFCF) limited to Corporate Suspensions and Forfeitures
 - ii. Substituted Service of Process
- c. Special Filings:
 - i. Trademarks/Service marks
 - ii. Statement of Facts/Roster of Public Agencies
 - iii. Public Official Oaths of Office
 - iv. Notice of Joint Powers Agreements and amendments
 - v. Business Bonds
 - vi. Advance Health Care Directives
 - vii. Declarations of Domestic Partnerships
 - viii. Immigration Consultants
 - ix. Successor-In-Interest
 - x. City and County Charters
 - xi. Athlete Agent Disclosure
 - xii. Builder's Agent for Notice
- d. Uniform Commercial Code (UCC)
 - i. Financing Statements
 - ii. Federal and State Tax Liens
 - iii. Other Liens including Judgment Liens and Attachment Liens

Business Objectives:

- a. Ensure SOS is compliant with the law and the State Administrative Manual
 - i. Respond to Public Records Act requests within 10 calendar days
 - ii. Process payments within one day using a secure system that is compliant with Payment Card Industry standards and the Information Practices Act
 - iii. Prevent registration of conflicting trademarks
- b. Enable effective stewardship of records
 - i. Capture 100% of data electronically to process, store, and retrieve records

- ii. Allow documents to be received and filed online and in paper form. Output should be handled automatically without staff involvement
- iii. Allow system crosschecks and validation of 100% of entered data
- iv. Electronically create, modify, store and retrieve records
- v. Electronically purge appropriate documents, filings and data according to retention schedules
- vi. Make data available electronically to customers in real time (online where feasible)
- vii. Reduce turnaround times for filings to 10 business days or less
- viii. Allow orders to be received and filled online and in paper form. Output should be handled automatically without staff involvement
- ix. Allow secure back-up of filed information
- x. Provide an automated interface to the accounting system
- xi. Provide the ability for SOS staff to respond to statute changes; i.e., ability for SOS staff to add or change filing types and associated workflows
- xii. Ability to track payments, refunds, and dishonored checks by client/customer
- xiii. Ability to provide standard management reports and Ad Hoc Reports ability.

Out of Scope

- a. Notary Public
- b. Special Filings areas not specifically listed in the scope
- c. VCFCF except for VCFCF corporate suspension / forfeiture

Summary Milestone Schedule

Milestone	Date
RFP submitted to DGS	March 22, 2012
RFP released to Public	June 4, 2012
Vendor selection process complete	December 6, 2012
SPR preparation complete	December 13, 2012
SPR approval	March 6, 2013
Contract award to System Integration Contractor	March 13, 2013

Budget

On April 1, 2011, the California Technology Agency (CTA) approved the Feasibility Study Report (FSR) for the California Business Connect Project with the following project budget:

Total One-time Project costs: \$21,359,000
 Total Continuing Project costs: \$ 2,370,000
 Annual Maintenance & Operations: \$ 1,773,000

While the FSR approved the project's total budget, the authority to spend the funding is granted in funding requests approved through the administration and legislature. The FY 2011-12 Budget Act approved only the procurement portion of the project. This includes \$274,000 for a student contract budget intended to back fill BPD Staff that are redirected to the project, which is not included in the approved FSR Budget. The project will annually submit funding requests until the project ends in FY 2016-17.

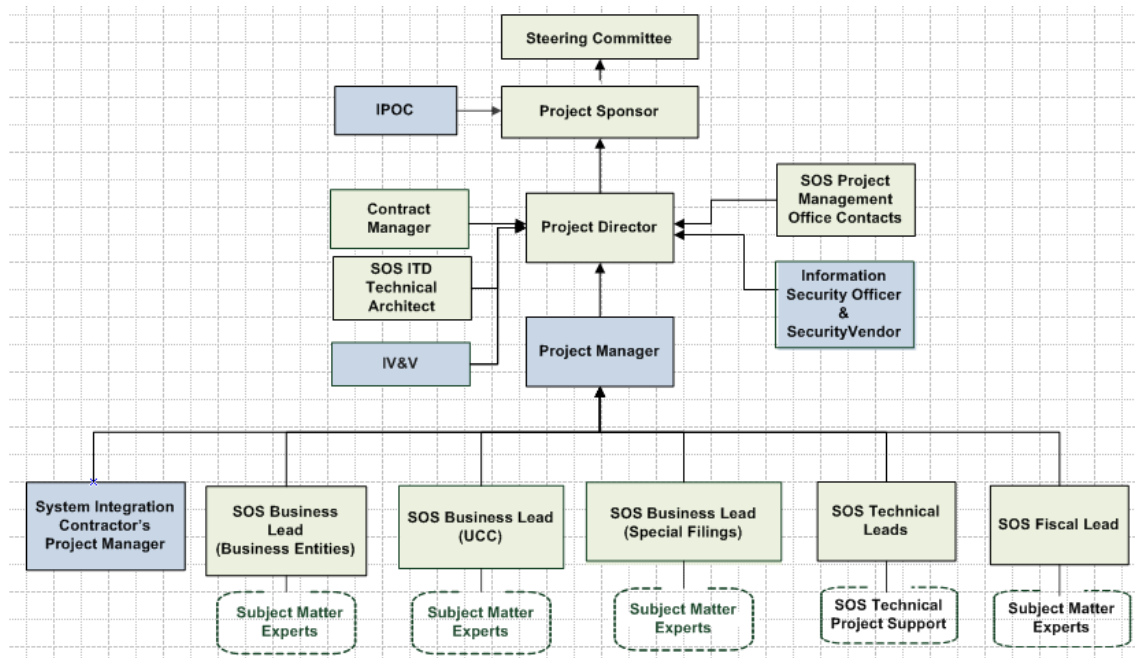
Prior to final contract award of the System Integration Contractor, a Special Project Report will be submitted to the CTA for review and approval. In addition, a funding request will be submitted and approved by the oversight agencies and legislature.

High Level Risks

- Business requirements not defined precisely enough for accurate vendor bids for a fixed-price contract, resulting in inconsistent bidder responses, and bids lower than actual costs
- Electronic signature definition not well defined prior to RFP release, resulting in inconsistent bids from vendors
- The number of special filings business areas included in scope impacts the schedule

Project Team Organization

The Project Sponsor is Janice Lumsden, Deputy Secretary of State for Operations. The Project Director is Betsy Bogart, Chief of the Business Programs Division. The Project Manager, Independent Project Oversight Consultant (IPOC), Independent Validation and Verification (IV&V) Consultant and Security Consultant will be support contractors. The Project Organization Chart is listed below.



Assumptions and Constraints

- Department of General Services (DGS) will provide sufficient information, in a timely manner, to define the solutions based procurement approach
- The flexibility matrix to help guide project tradeoff decisions is:

	Least Flexible	Flexible	Most Flexible
Funding	✓		
Schedule			✓
Scope		✓	

Approval Signatures:



(Project Sponsor) Janice Lumsden 9/13/11
Date




(Project Director) Betsy Bogart 8/26/2011
Date



(CIO) Mary Winkley 9/12/11
Date



(ITD Division Manager) Chris Maio 8/26/11
Date



(MSD Division Manager) Dora Mejia 8/26/11
Date



(PMO Project Manager) Jim Boyle 8/25/2011
Date



(PMO Deputy Project Manager) Eric Kapucinski 8/26/2011
Date